

WHEREAS, Plaintiff United States of America, on behalf of the U.S. Environmental Protection Agency ("EPA") in this action, has filed a complaint in this action ("Complaint") alleging that Defendant R.S. Audley, Inc. ("Audley") violated sections 301 and 308 of the Clean Water Act (the "Act"), 33 U.S.C. §§ 1311 and 1318, and its implementing regulations, in connection with its operations at a sand and gravel mining operation on an approximately 300 acre undeveloped parcel of land in Londonderry, New Hampshire ("the Facility"), concurrently

with this Stipulation and Order ("Stipulation").

WHEREAS, Defendant does not admit any liability to the United States arising out of the transactions or occurrences alleged in the Complaint.

WHEREAS, the United States and the Defendant (the "Parties") agree that settlement of the United States' claims against Defendant, without further litigation, is in the public interest.

WHEREAS, the Parties further agree that the Court's approval of this Stipulation is an appropriate means of resolving the claims in this action.

NOW THEREFORE, before the taking of any testimony, without adjudication or admission of any issue of fact or law, except as provided in Paragraph 1, below, and with the consent of the Parties, IT IS HEREBY ADJUDGED, ORDERED AND DECREED as follows:

1. This Court has jurisdiction over the parties to, and the subject matter of, this action pursuant to Section 309 (b) of the Act, 33 U.S.C. § 1319 (b) and 28 U.S.C. §§ 1331, 1345, and 1355. Venue properly lies in this district under Section 309 (b) of the Act, 33 U.S.C. § 1319 (b), and 28 U.S.C. § 1391 and § 1395. Defendant Audley waives any and all objections it may have to the Court's jurisdiction, waives service of process in accordance with the requirements set forth in the Federal Rules of Civil Procedure, and, for purposes of this Stipulation submits to the Court's jurisdiction.

2. Defendant Audley shall, within thirty (30) days of the date this Stipulation is entered by the Court, pay to the United States a civil penalty in the amount of Sixty Thousand Dollars (\$60,000.00) (the "settlement amount").

3. The payment shall be made by FedWire Electronic Funds Transfer ("EFT") in accordance with current electronic funds transfer procedures, referencing USAO File Number

2007V00174, and DOJ Case Number 90-5-1-1-08363. The payment shall be made in accordance with instructions provided to Defendant by the Financial Management Unit of the U.S. Attorney's Office for the District of New Hampshire upon execution of this Stipulation by the parties. Any EFTs received at the DOJ lockbox after 11:00 a.m. Eastern Time will be credited on the next business day. Within five (5) business days of each payment, Audley shall provide written notice of payment, along with a statement showing the calculation of interest included in the payment and a copy of any transmittal documentation to DOJ, EPA, and the USAO for the District of New Hampshire at the below addresses.

As to DOJ:

Chief, Environmental Enforcement Section
Environmental and Natural Resources Division
U.S. Department of Justice
601 D. Street, N.W., Room 2121
Washington, D.C. 20004
DOJ No. 90-5-1-1-08363

As to EPA:

Chief, Water Technical Unit (Mail Code SEW)
Office of Environmental Stewardship
U.S. Environmental Protection Agency
New England Region
One Congress Street Suite 1100
Boston, Massachusetts 02114-2023

As to the United States Attorney, District of New Hampshire:

Office of the United States Attorney
Civil Division
District of New Hampshire
53 Pleasant Street, Fourth Floor
Concord, New Hampshire 03301-3904
Attn: David Plourde, Esq.

4. If the civil penalty is not fully paid when due, Defendant Audley shall pay a

stipulated penalty of \$1,000 per day for each day that the payment is delayed beyond the due date. Further, Defendant Audley shall pay interest on the overdue amount, from the original due date to the date of payment, at the statutory judgment rate in accordance with 28 U.S.C. § 1961. Further, Defendant Audley shall be liable for costs, including costs of attorney time, incurred by the United States to collect any amount due under this Stipulation.

5. All payments received by this Stipulation are penalties within the meaning of Section 162(f) of the Internal Revenue Code, 26 U.S.C. § 162(f), and are not a tax deductible expenditure for purposes of federal law.

6. Payment by the Settling Defendant of the settlement amount in accordance with this Stipulation shall constitute full settlement and satisfaction of the claims asserted by the United States in the above-captioned action pursuant to Sections 301 and 308 of the Act, 33 U.S.C. §§ 1311 and 1318, as alleged in the Complaint, through the date of lodging.

7. The United States reserves, and this Stipulation is without prejudice to, all rights against Defendant Audley with respect to all other matters not asserted by the United States in the above-referenced Complaint, including but not limited to any criminal liability.

8. The Stipulation will terminate when Defendant Audley has paid the civil penalty and any stipulated penalties and interest required by this Stipulation.

9. Each party shall bear its own costs and attorney's fees in this matter, except as provided in Paragraph 4 above.

10. The undersigned representative of Defendant Audley and the Assistant Attorney General of the Environment and Natural Resources Division or his or her designee each certify that he or she is fully authorized to enter into the terms and conditions of this Stipulation and to

execute and legally bind Defendant Audley and the United States, respectively, to it.

Judgement is hereby ENTERED in accordance with the forgoing Stipulation and Order
this 31st day of October 2007.

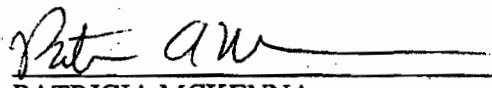
/s/ Paul Barbadoro
UNITED STATES DISTRICT JUDGE
District of New Hampshire

FOR PLAINTIFF THE UNITED STATES OF AMERICA:

RONALD J. TENPAS
Acting Assistant Attorney General
Department of Justice
Environment & Natural Resource Division

ELLEN MAHAN
Deputy Chief
Environment and Natural Resources
Division
Environmental Enforcement Section

DATE: 10/22/07

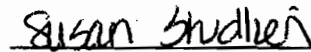

PATRICIA MCKENNA
Senior Attorney
Environmental Enforcement Section
Environmental & Natural Resource Division
United States Department of Justice
P.O. Box 7611, Ben Franklin Station
Washington, D.C. 20044
(202) 616-6517

United States Attorney
District of New Hampshire


T. DAVID PLOURDE
Assistant United States Attorney
District of New Hampshire
53 Pleasant Street, Fourth Floor
Concord, New Hampshire 03301-3094

FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY:

DATE: 10/15/07

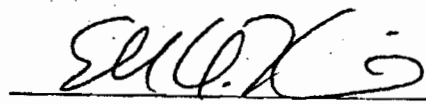

SUSAN STUDLIEN
Director
Office of Environmental Stewardship,
Region I
U.S. Environmental Protection Agency
One Congress Street, Suite 1100 (SES)
Boston, MA 02114-2023

DATE: 10/12/07


JOHN KILBORN
Senior Enforcement Counsel
U.S. Environmental Protection Agency,
New England Region
One Congress Street
Boston, Massachusetts

FOR SETTLING DEFENDANT AUDLEY:

DATE: 10/3/2007

A handwritten signature in dark ink, appearing to read 'F. Kenison', is written over a horizontal line.

Frederick D. Kenison
Vice President
R.S. Audley, Inc.
609 Route 3A
Bow, NH 03304